



## COVID-19 Update

As of April 3, 2020 small businesses can now apply for the **Paycheck Protection Program**. The program is designed to keep small business workers employed and provide small businesses with capital through the nation's banks and other lending institutions.

### Paycheck Protection Program (PPP)

The Paycheck Protection Program ("PPP") authorizes up to **\$349 billion in forgivable loans to small businesses** to pay their employees during the COVID-19 crisis. ***All loan terms will be the same for everyone.***

The loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent,

and utility costs over the 8 week period after the loan is made; and

- Employee and compensation levels are maintained.
- Payroll costs are capped at \$100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
- Loan payments will be deferred for 6 months.

### **When can I apply?**

- Starting **April 3, 2020**, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Starting **April 10, 2020**, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.

### **Where can I apply?**

- You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. Visit [www.sba.gov](http://www.sba.gov) for a list of SBA lenders.